

# FISCAL NOTE

**Bill #:** HB0665

**Title:** Revise assessment and taxation  
of new improvements

**Primary**

**Sponsor:** Tom Facey

**Status:** As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$230,845	\$219,290
<b>Net Impact on General Fund Balance:</b>	<b>(\$230,845)</b>	<b>(\$219,290)</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

1. The proposal is effective for tax years beginning after December 31, 1998.
2. Additional property tax revenues are placed in a special county account and cannot be used in the year they are collected. No additional property tax collected under this proposal is distributed to the state general fund or the state special accounts.
3. Property taxes collected under this proposal in one year must be used to reduce the county's general fund or all-purpose levy the following year. Therefore, the county will receive no additional long-term property tax revenue from this proposal.
4. An appropriation of \$79,950 is necessary for FY1999 to cover the costs associated with the retroactive nature of this proposal. This appropriation covers programming and computer equipment costs incurred by the proposal.
5. The department will mail taxpayer self-reporting forms once each year. The taxpayer will be asked to return the form once new construction has been completed. Operating costs for FY2000 and FY2001 include contracted services, start-up, processing, printing, postage, and data entry for more than 391,000 forms.

<u>FISCAL IMPACT:</u>	<u>FY2000</u> <u>Difference</u>	<u>FY2001</u> <u>Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$225,300	\$219,290
Equipment	<u>5,545</u>	<u>0</u>
TOTAL	\$230,845	\$219,290
 <u>Funding:</u>		
General Fund (01)	\$230,845	\$219,290

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

There is no impact on local revenues. However, the counties will be required to issue special tax bills to taxpayers conducting new construction. This will increase each county's administrative costs.

LONG-RANGE IMPACTS:

Local governments will experience a small reduction in certain county mill levies. The county will not receive additional property tax revenue. The department's administrative costs will increase substantially under this proposal.

TECHNICAL NOTES:

1. Local government would levy the state mills for improvements newly constructed during the year and assessed for a partial year. Revenue from the state mills would not be remitted to the state general fund. This is in conflict with state law that is specific about levying and collecting state mills.